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"IDEAS MOVE NATIONS"

BY GREGG EASTERBROOK

CSIS

AS RECENTLY AS 1950 LIONEL TRILLING COULD PROCLAIM, as if it were incontestable, that American conservatives had no ideas, only "irritable mental gestures." Today, though many conservatives remain irritable, ideas they possess in abundance. Conservative thinking has not only claimed the presidency; it has spread throughout our political and intellectual life and stands poised to become the dominant strain in American public policy. While the political ascent of conservatism has taken place in full public view, the intellectual transformation has for the most part occurred behind the scenes, in a network of think tanks whose efforts have been influential to an extent that only now, five years after President Reagan's election, begins to be clear.

Conservative think tanks and similar organizations have flourished since the mid-1970s. The American Enterprise Institute (AEI) had twelve resident thinkers when Jimmy Carter was elected; today it has forty-five, and a total staff of nearly 150. The Heritage Foundation has sprung from nothing to command an annual budget of \$11 million. The budget of the Center for Strategic and International Studies (CSIS) has grown from \$975,000 ten years ago to \$8.6 million today. Over a somewhat longer period the endowment of the Hoover Institution has increased from \$2 million to \$70 million.

At least twenty-five other noteworthy public-policy groups have been formed or dramatically expanded through the decade; nearly all are anti-liberal. They include the Cato, Manhattan, Lehrman, Hudson, Shavano, Pacific, Sequoia, and Competitive Enterprise institutes; the committees on the Present Danger, for the Survival of a Free Congress, and for the Free World; the institutes for Foreign Policy Analysis, for Contemporary Studies, and for Humane Studies; the centers for Study of Public Choice, for the Study of American Business, and for Judicial Studies; the Political Economy Research Center; the Reason Foundation; the Washington, American, Capital, and Mountain States legal foundations; the Ethics and Public Policy Center; the National Center for Policy Analysis; the National Institute for Public Policy; and the Washington Institute for Values in Public Policy.

Today conservative commentators have their liberal counterparts outgunned by a wide margin. Conservative thinking has liberal thinking outgunned as well. In vigor, freshness, and appeal, market-oriented theories have surpassed government-oriented theories at nearly every turn. This feat has been accomplished in the main by circumventing the expected source of intellectual developments—the universities. Conservative thinkers have taken their case directly to Congress, the media, and the public—to the marketplace of ideas.

THE CENTER FOR STRATEGIC AND INTERNATIONAL Studies, like Hoover at Stanford, is a conservative policy center attached to a generally liberal university (in this case, Georgetown). Unlike Hoover, CSIS is located well away from the parent campus: its offices on K Street, Washington's legal row, have the aspect of an investment-banking firm.

Perhaps because of its emphasis on international affairs, CSIS is the most aristocratic of the think tanks, and the most ceremonial. Big names abound. Henry Kissinger, Zbigniew Brzezinski, and James Schlesinger are "senior scholar-statesmen in residence." Other CSIS names are Thomas Moorer, a former chairman of the Joint Chiefs of Staff; Ray Cline, a former deputy CIA director for intelligence; the authors Walter Laqueur and Michael Ledeen; the military analyst Edward Luttwak; and the economist Paul Craig Roberts. The most recent CSIS annual report resembles a social directory, listing a sixty-five person advisory board, a fourteen-person executive board, a twenty-seven-person international research council, staff, and a hundred scholars. The 1984 report listed 578 CSIS forum participants, plus more roundtables, symposia, and colloquia than any one person could ever attend. It also managed to drop Kissinger's name thirty-four times.

Because CSIS is heavy with people who would accept only top positions, it sent few into the Reagan Administration—Chester Crocker, the author of the Administration's "constructive engagement" policy toward South Africa, is its only prominent alumnus. Big names mean big overhead: Kissinger, Brzezinski, and Schlesinger have separate suites, perhaps to keep their ego fields from interacting. The big names are expected to "bring money with them" (to use the think-tank argot), raising a portion of the overhead from foundation contacts or on the cocktail-party circuit. A recent CSIS newsletter noted, "James Schlesinger . . . met with senior leadership of Texaco Inc. to discuss a number of defense and energy policy issues and to share a personal perspective on contemporary geopolitics."

Geopolitical perspectives are also shared at the annual shoulder-rubbing roundtables that CSIS holds in Washington, Dallas, Houston, and Miami (additional events in Los Angeles and Chicago are planned). Entrée to such occasions generally requires about a \$5,000 donation. The chief executive officers of large corporate donors received a "high-level CSIS briefing" in Washington for the second Reagan inauguration (whenever CEOs come to town, they expect important-sounding things to do), and CSIS stages

2

a prestigious annual retreat in Williamsburg, Virginia, similar to AEI's Colorado gathering.

CSIS's output in the press and on TV is second to none. "We had more than 2,500 media appearances in 1984, and it's going to add up to more in 1985, because Beirut has been a big story and we have most of Washington's world-class terrorism experts here," William Taylor, the executive director of CSIS, told me recently. He handed over a copy of the center's media guide: "When a big story breaks, this is a media bible." The guide is cross-referenced and includes the home phone numbers of several CSIS officers who run an "alert system." If an important international story develops at night or over a weekend, CSIS fellows call in to the office, forming a duty rotation of experts available for interviews and television appearances.

CSIS thus performs a valued service for the major media, creating instant access to former officials who are presumed to have inside information. Some of the media return the favor: *The New York Times* and NBC News are among CSIS's financial supporters. Brzezinski, Cline, Laqueur, the retired CIA director Richard Helms, a retired chief of staff of the Army, General Edward Meyer, and others make up the center's Steering Committee on Terrorism, as if CSIS itself had something other than words to steer. (Committees are a favorite think-tank gambit for lending the appearance of formal policy-making responsibilities. After Reagan's re-election the Hudson Institute announced a Committee on the Next Agenda composed of many prominent names. This committee earned the president of Hudson, Thomas Bell, lunch at the White House and a photo opportunity with Reagan, but compared with the thoughtful *Mandate II* its report was a comic book. The thirteen single-spaced pages of generalities advocated, for example, "a national commission to report on the quality of family life" and the creation of yet another government post, for a cabinet-level "broker" who would "play an important coordination function in government" by reconciling "overlapping defense, foreign, economic and trade areas"—which sounds suspiciously like what the President is supposed to do.)

CSIS also performs a valued service for the State Department, staging forums for visiting diplomats whom the department doesn't quite know what to do with (whenever foreign leaders come to town, they too expect important-sounding things to do) and sometimes conducting semi-sanctioned negotiations that avoid the tortuosities of official government contacts. A CSIS team preceded Reagan on his visit to China.

Both Taylor, the executive director, and Amos Jordan, who has succeeded David Abshire, the founder, as president, were once Army instructors at West Point. Nevertheless, CSIS has not refrained from criticism of the military. Senior Fellow Edward Luttwak's recent *The Pentagon and the Art of War* is scorching; CSIS's most successful project in 1984 was a study, signed by six of the seven living former secretaries of defense, calling for reform of the Joint

Chiefs of Staff. The test of this study's success is that it made Navy Secretary John Lehman—whose service would stand to lose in most JCS reform plans—furious. Melissa Healy and Michael Duffy reported in *Defense Week*, a trade newsletter for the defense industry, that Lehman worked behind the scenes to block the CSIS report.

Scaife—who was also unhappy about the Joint Chiefs of Staff study—is CSIS's biggest donor, having given at least \$7 million in the past decade. (CSIS and Georgetown raise funds separately; there is some hostility between the center and the school, mainly because CSIS fellows can make twice as much as Georgetown professors while being spared the drudgery of correcting blue books.) Other important donors include the Ford, Rockefeller, MacArthur, and Noble foundations; the Prince Charitable Trust; Hallmark Cards, Inc.; eleven defense contractors; and Sheikh Salman al Hethlain and Prince Turki bin Abdulaziz (CSIS has a "Middle East" project, appealing to Arab-American interests, and also a "Near East" project, of more interest to pro-Israel groups).

Cato

LAST JUNE, ON A DAY WHEN SAVINGS ACCOUNTS IN Maryland were frozen because the state's private deposit-insurance company had collapsed, the Cato Institute held a Capitol Hill forum to advocate that private deposit-insurance companies replace the Federal Deposit Insurance Corporation and the Federal Savings and Loan Insurance Corporation. "It is my belief that consumers would be willing to give up their federal guarantees in return for deposits backed by triple-A corporate bonds," Catherine England, a Cato analyst, declared. Senior staffers from the Joint Economic Committee, the Treasury Department, the Federal Trade Commission, the Office of Management and Budget, and other agencies had come to listen.

In a sense, no one took the session seriously. At a time when banks were teetering, the political prospects of abolishing federal deposit insurance were slim to nonexistent. Yet in another sense there was great interest, as the attendance showed. Cato is in the vanguard of market thinking, and Washington is as fascinated today by market theories as it was twenty years ago by big-government theories. During the forum Bert Ely, another Cato speaker, said that banks could protect their deposits through a system of self-insurance. An official from the Farm Credit Administration rose to protest: that was the way that FCA affiliates had been insured, the system hadn't worked, and Cato was "completely ignoring the real world." To a libertarian this is not necessarily an insult.

Cato was once close to the Libertarian Party, whose presidential candidate managed to win one percent of the vote in 1980. The Libertarian Party believes that government should go away, period. Its candidate in 1984, David Bergland, vowed to abolish the CIA, the FBI, the IRS, So-

3

cial Security, and public schools. If citizens wanted national defense, he said, they could band together and contract for it voluntarily.

That was too much even for Cato. It continues, however, to say that almost all government regulation should end: that in an information-rich society like ours, consumers exert enough pressure on industry through their buying habits to prevent abuses, and to the extent that they fail to exert pressure, that's their problem. Cato wants a phased withdrawal of U.S. troops from Europe and South Korea, and an end to other entangling alliances. Government, in its view, should exist only to provide police protection, enforce contracts, and repel invasions. Cato's hero is Friedrich Hayek, who won the Nobel Prize for economics in 1974 and is the godfather of the "Austrian school," dear to the hearts of many on the right. Hayek recently attached his name to Cato by becoming a senior fellow, the institute having campaigned long and hard to get him. Hayek proposes abolishing the uniform national currency and instead using private-label money issued by business. "What is so dangerous and ought to be done away with is not government's right to issue money but the *exclusive* right to do so and their power to force people to use it and accept it at a particular price," he has written.

In summary form, this sounds like a crackpot idea. It's not, although neither is it practical—and that sums up much of libertarian thinking. As a logical exercise one can imagine competing "brands" of currency driving monetary exchange values to a perfect level and increasing economic efficiency. In the real world, where people's hopes and fears add non-logical considerations, private currency might spawn catastrophe. Still, speculation about such matters can result in smaller insights that are applicable under real conditions. An example is the work for Cato done by Peter Ferrara, an attorney, who proposes that Social Security be replaced with a form of private super-IRA accounts. The plan has faults, but it is the kind of not-so-crazy-as-it-sounds idea that may ultimately inspire practical change.

Libertarianism springs from the American West: Cato, the Pacific Institute, and the Reason Foundation, all libertarian, were all started in California. On its good side libertarianism reflects the dream of the American West—of the individual above all, with society constantly forming and reforming itself to reflect individual aspiration. Culturally, the eastern United States is Europe transplanted, with many Old World habits and class expectations continuing to operate at a subtle level. The West is the world made new, and its residents need not honor what they left behind. Here, though, is libertarianism's bad side—a desire to renounce all social obligations and live as if the United States had no poverty and no enemies.

Cato gets the largest portion of its \$1.3 million annual budget through Charles Koch, the son of a Kansas oilman, who has given around \$5 million to libertarian causes, and it has also received significant support from his brother David, the Libertarian Party's vice-presidential candidate in 1980. Other donors include Shelby Cullom Davis, several oil and chemical firms, and the American Broadcasting Company. Scaife is a major sponsor, but he insists that his money be spent only on economic studies, not on international affairs, because Cato favors reduced military spending. Cato is the only one of the new think tanks to have no major defense contractors among its supporters.

The chairmanship of Cato was assumed last year by William Niskanen, a former member of the Council of Economic Advisers. Niskanen entered the libertarian hall of fame when, in 1980, as director of economics at Ford Motor Company, he was fired for publicly opposing the company's campaign for quotas on imported cars, which he said would only hurt consumers.
